

# SPECIALTY FASHION | GROUP

**ASX announcement/Media release**

**6 January 2010**

## **Specialty Fashion Group announces Profit Upgrade**

**The Company expects H1FY10 Profit before Income Tax to be between \$37m and \$39m**

Specialty Fashion Group Limited (ASX: SFH), announced today that sales for the half year ended 31 December 2009 were \$318m. This is an 11.5% increase over the same period of the prior year. Comparable stores sales growth for the half year was 8.9% reflecting strong sales for the period, although discounting was high in December due to tough Christmas trading conditions.

The guidance contained in this update is preliminary in nature, subject to finalisation within the Company as well as review by the Company's external auditors. However, given the strong sales performance outlined above, Specialty Fashion Group now expects profit before income tax for the first half of FY10 will be within the range of \$37m to \$39m. This is an upgrade to the expectation previously provided to the market of profit before income tax within the range of \$24m to \$30m.

Gary Perlstein, Chief Executive Officer commented: "We are very pleased with the performances delivered by our brands in the first half of FY10. The success we achieved in the second half of FY09 continued in this financial year as we focused on ensuring our merchandise and stores were compelling to our customers. The strategies that we have employed to gain market share are working. However, whilst we have been well positioned to take advantage of an environment of high consumer confidence, we are concerned that there may be greater economic headwinds in 2010. Christmas 2009 trading was more challenging than in 2008, with the discounting in the market being more aggressive than we have seen for many years. This may be the first indication that there will be more difficult trading conditions in the second half of FY10, when consumers will not be receiving government handouts and interest rates are on the rise."

Further details will be available with the half year results which are scheduled to be released on 23 February 2010.

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